

ENERGY POLICY

Mr. THOMAS. Mr. President, it has been mentioned this morning, of course, that we are going to move forward this week to deal with energy policy. I must tell you I am very pleased that that is the case. We have worked very long and hard to develop an energy policy to bring it again this year before the Senate. As you recall, we had one last year. It went into conference and we were unable to bring it up.

I think it is certainly important that we do that. Of all the issues that are before us, I expect it may be one of the most compelling—compelling because it is something that is of vital importance to this Nation. Probably more people are affected by energy than most any other service.

We have the Middle East situation, of course. Over time we have gotten ourselves in the position where 60 percent of our oil imports are a matter of importance because we have become very dependent.

It was almost 2 years ago that the President of the United States and the Vice President, DICK CHENEY, and their task force, came up with energy recommendations. This is one of the first issues talked about. Since that time, it has become even more compelling partly because of the unrest in the Middle East. Also, partly because of the result in Iraq, I think people now are more aware of how important it is for us to have an energy policy.

The President said we need to have an energy policy for the future, but, of course, one that also meets the needs of today. I think we can do that. I think we can develop a policy which deals with the problems we now have, but, more importantly, we should try to get a vision for the future—15 or 20 years in the future—and see what we have to do, and where we would expect to be at that time and then measure what we do in the interim with respect to accomplishing those goals.

We do have to make changes. We have to make changes in most everything. But I have to tell you that in the case of energy, perhaps change is more apparent and more obvious and more compelling than most of the other issues with which we have to deal. We must modernize conservation. Obviously, what we need is a balanced policy but one that deals with conservation, one that deals with alternative fuels, one that deals with research, one that deals, of course, with enhancing domestic production, and other issues. But those certainly have to be the basic elements of our energy policy as we look forward.

There is much that we can do. I can recall a number of years ago in Casper, WY, meeting with an energy group. I don't remember who it was. But I remember they said that we have never run out of an energy source. We have continued to change. We used to have wood. We used to have coal. We had oil, we had gas and nuclear, and we con-

tinued to change. But it takes some forward thinking to do that. It takes some research to do that. It takes an effort made to bring about the changes that are necessary to provide Americans with a very important element of their support. We need to modernize our infrastructure.

Obviously, situations change. We are going to have production, for instance, in gas. In my State, we have a great deal of supply and a source. In order to get it to a marketplace, you have to have pipelines. You have to have transportation.

The same is very much true with electricity. The largest source of fuel for the future and for which we have a resource is currently coal. You have to move that resource to the consumer. You can either move it as coal in a railroad car, which is very inefficient, or you can produce energy at the mine site and then move it to the consumer in transmission lines. We have not kept up with that. We are beginning to feel the consequences of that very much.

We have to increase our supplies of energy. We are doing that, of course, by having new places to drill, new places to extract, new places to find different alternative fuels that are available, frankly, very little of which has become really commercial in nature.

If you exclude hydro from renewables, then only about 3 percent of our energy comes from renewable sources. That is not very much, so it is going to take a while. It is going to take research. It is going to take much action to make sure we get those actually in the homes in America. Renewables are very important. We have to accelerate our plans and our efforts to protect the environment as we do this.

I think everybody wants a balanced energy policy, a balanced policy which says, yes, we need to produce more of our own energy in whatever way. As we do it, we have to protect the environment.

Again, in my home State of Wyoming, that is very important to us. Fifty percent of Wyoming belongs to the Federal Government, so most of the resources there, such as oil and gas and often coal, are on Federal lands. We need to be able to produce this energy in such a way that you can also have wildlife, you can also enjoy the environment, as well as production. Frankly, we have shown you can do that. We need to make that activity become even more workable by doing more research.

The bottom line, which I have already mentioned, is, in our national security, to be less dependent on having to look somewhere else for the energy that is necessary for us to remain secure and prosperous. It is not only part of security; it is also part of economic stability and economic growth.

We have been trying. I mentioned we tried last year, but our attempts failed. We worked very hard at it, as a matter of fact. We had bills out of both the

House and the Senate. After some controversy on both sides, we went to committee to put them together and were never able to come up with a solution. Now we are back again.

That process was flawed. Basically, the committee of jurisdiction, the Energy Committee in this case, did not work through the bill before it came to the floor. Quite frankly, it is very difficult to be successful on the floor unless you can come to some agreement in the committee prior to that. We had no hearings, really. We had no mark-ups.

But it has been different this year. We have a chairman who has worked very hard—the Senator from New Mexico. We have a bill that is ready to come before us, and one we really need to work on.

Again, certainly it is essential to completing this war activity we have been in, to really having stability in our own country so that we have somewhat of an energy independence. We may not be totally independent, of course. There is nothing wrong with bringing in fuels from other places, but we should not allow ourselves to be 60 percent dependent on that.

The development of resources is essential to economic growth and that is what we are looking for now, at the same time we are looking at ways to stimulate the economy to create more jobs. I can tell you, the movement in the energy field is one that allows us to do the same thing. We need a balanced approach. I have mentioned that.

Some people think, oh, my gosh, all you are going to do is take oil wells out there and start drilling everywhere. That is not the case. We are looking at conservation. As we look at our own lives, there are many ways, if we make some changes in what we do, we can reduce our demands on energy. We can shift our demands on energy to those things that are more available.

Think about it at home. Are there any ways in which we could have appliances where we could do things a little differently and have them use less energy? I think that is true. We are all looking for ways to increase mileage in our automobiles, and there are ways to do that.

I have to tell you, I think it is a mistake to mandate certain action over a period of time because that becomes very expensive and also puts a real halt on us moving forward. But what we ought to do is have incentives so that we do work toward having more conservation.

Fossil fuels, of course, are our biggest supplier now of energy and will be for some time. Again, for instance, in the case of coal, we have a great abundance of coal, and we have done a great deal to make it more clean to help with climate change. But we can do even more.

In the coalfields in Wyoming there is an effort to begin to put some emphasis on hydrogen. Hydrogen can be made with coal and water, and hydrogen can

then be used much more efficiently in terms of the movement of the fuel as well as using it for automobiles. We can do that.

Natural gas, of course, is one of our very important resources. Again, we need to be able to move that. We need to be able to use it at the highest priority and use these fuels where we get the best bang for the dollar. That is what we are seeking to do: to give some diversity, to utilize the domestic resources, to have an overall energy strategy.

I think too often—and we are a little guilty of that right here in the Senate—we get into one of these issues and we start talking almost entirely about today's problems and solving the problems we have or our constituents have out there right now. That is fine, and we need to do that. But this is a policy. This is designed to give us a roadmap to make changes over time.

Again, electricity is a good example. Years ago, when you had a distribution area, you had a city or a county, and you had an electric supplier that provided for that group. They had a generating plant and a distribution system, and it was all contained right there in the city or right there in the county.

Now 40 percent of energy is generated by what you call merchant generators that do not do distribution, but they sell it to distributors. Of course, to do that, you have to have transmission lines that move the energy around. So things are changing, and we need to keep ahead of change the best we can.

There are also great opportunities for doing something with nuclear power, which is one of the cleanest sources of power we have. We will be talking about doing some things with Alaska, for example, whether it is pipelines or ANWR.

So I just want to say, Mr. President, we are going to be spending a considerable amount of time on energy in the next several weeks. Our goal, hopefully, in the Senate is to get through with the program by Memorial Day. The House will be moving forward as well and has a program that is ready to go, pretty much.

Part of this, of course, will be in the area of tax incentives. As I said, what we need to do is provide incentives for people to do better, to have better ways of drilling, to do better in geological surveys, and so on. Part of that will be a tax title that has been passed out of the Finance Committee. And now the energy bill has been passed out of the Energy Committee. So we are ready to go.

I am hopeful we can come together. I know there are going to be different views about what we do on conservation, what we do about ethanol, what we do about alternatives, but all of those must be resolved if we are to come forward with something that will be good for our country in terms of an energy policy.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I ask unanimous consent to speak for as much time as I may consume.

The PRESIDING OFFICER. Without objection, it is so ordered.

INCREASING THE FEDERAL DEBT LIMIT

Mr. DORGAN. Mr. President, later this week, I am told, we will be getting in the Senate a proposal to increase the Federal debt limit. My assumption is that the increase in the Federal debt limit we will be asked to consider will be nearly \$1 trillion—\$900-some billion. I am told it is shaved just enough to be under \$1 trillion.

That increase in the debt limit will equal, incidentally, all of the debt accumulated from George Washington until 1980, until Ronald Reagan took office. For all of those years, we accumulated less than \$1 trillion in debt. The debt limit increase we will be asked to vote on will be just slightly under \$1 trillion.

What does that say about the country's fiscal policy? It says we are running very large Federal budget deficits. Two years ago, it was expected that we would run large budget surpluses as far as the eye could see. President Bush said: Let's have the American people keep their own money. Let's move the surpluses back. Let's have a \$1.7 trillion tax cut.

Some of us said: Maybe we should be more conservative. What if these Federal budget surpluses don't materialize? What if we are wrong about that?

They said: Never mind. And they pushed it through the House and the Senate, and with great fanfare they signed the bill.

Two years later, we have budget deficits as far as the eye can see; this year, the biggest budget deficit in history and this week, apparently, a proposal to increase the Federal debt limit by nearly \$1 trillion. I don't understand that.

In addition to that, there is a major debate on how much additional tax cuts there should be: Should the President get his program of additional tax cuts? There are not only tax cuts in what is called reconciliation, but tax cut proposals outside of reconciliation, which altogether total \$1.3 trillion in additional tax cuts.

The easiest lifting in American politics for any politician anywhere in America is to say: I support tax cuts. If in fact tax cuts produce new jobs, then sign me up. I propose we have a trillion dollars in tax cuts or, better yet, \$2 trillion in tax cuts. But, of course, we

know what we have ahead of us are very large Federal budget deficits.

For Congress and the President, the question is, What is it that we don't want to do in our Government? Do we not want to have regulatory agencies that provide protection for American citizens and consumers? Do we not want to build roads? Do we not want to fund schools? Do we not want to fund the Customs Service, the Immigration Service, the Border Patrol, the Food and Drug Administration? What exactly is it that we should not be doing? Those are the important questions.

Of course, there is waste in government. And we ought to cut spending where it is wasted. Let me give an example. Senator WYDEN and I some while ago asked the Federal Bureau of Prisons, why are you advertising for a dance instructor? In fact, it was advertising for a dance instructor in the State of Texas. Why are you advertising for that for the Federal Bureau of Prisons? What do we need that for? What is the purpose of that? We have since discovered that the Federal Bureau of Prisons has had dance instructors at eight federal prisons. I don't understand that. Learning how to dance the salsa when you are in prison, is that necessary? In areas where there is waste, let's attack waste.

Let me cite one other example. Senator WYDEN and I mentioned this past week—and this is not direct spending on our budget—that the U.S. Postal System inspector general's office is wasting massive amounts of money. The inspector general's office has 700-some people in the Office of the Postal Department doing events supposed to promote teamwork, where employees wrap themselves in toilet paper. They wear animal costumes. They dress up and do role playing. It is the most Byzantine thing I have ever heard of. They spend millions of dollars on these events. That inspector general ought to lose their job. It is a waste of money.

But there are government functions that are essential for our country. Like those nettlesome regulatory agencies that are supposed to protect us from the kind of grand theft that occurred on the west coast with Enron Corporation and others, where what they did was ratchet up the price of electricity. They were turning it, double, triple, 10 times, charging the consumers on the west coast a massive amount of money for electricity as they were manipulating the price. They were taking plants offline and manipulating the quantity of energy, and they were engaged in efforts that the Federal Energy Regulatory Commission and the Justice Department now apparently say are criminal.

I believe they were criminal. I said so last year when I chaired hearings on Enron Corporation. What we have seen on the west coast, with respect to what was going on with the pricing of electricity, is grand theft. The Federal Energy Regulatory Commission is now beginning to take action, after the fact,